

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 109th Congress¹**

[Date approved: December 20, 2005]²

Bill No. and sponsor: H.R. 3033 (Mr. Wally Herger of California).

Proponent name, location: LeapFrog Enterprises, Inc., Emeryville, CA.

Other bills on product (109th Congress only): None.

Nature of bill: Extension of existing temporary duty reduction through December 31, 2008.

Retroactive effect: None.

Suggested article description(s) for enactment (including appropriate HTS subheading(s)):

No change in the article description of existing heading 9902.85.43 is suggested, and that provision's description reads as follows:

Educational devices (provided for in subheading 8543.89.96).

Check one: ☒ Same as that in bill as introduced.
 ☐ Different from that in bill as introduced (see Technical comments section).

Product information, including uses/applications and source(s) of imports:

The subject product of interest to the proponent is an electrical machine designed for the education of children. The proponent's product, the LeapPad® System, is described as an "educational toy" which "teaches reading, phonics, vocabulary, foreign languages, geography, science, [and] music" and "teaches fundamental reading skills." The imported product consists of two articles that are packaged together for retail sale. The first is a battery-powered electric component in a hinged plastic housing (the "pad") to which is attached an electronic stylus. This pad holds one of a series of interactive books designed specifically for use with it. Through a speaker mounted in the pad and enabling software, the pad reproduces words and music when the stylus is touched to various words and objects printed in the interactive book. Second, a particular book with a preprogrammed cartridge is packaged and sold with the pad and contains a variety of pictures and text suitable for children up to age 10. The interactive book, when used in conjunction with the pad, performs multiple functions. One of those functions translates six words and phrases into English, Spanish, French, German, and Japanese. Other interactive books are available and are sold separately; they are designed to function with the LeapPad® System when a pre-programmed cartridge (sold with the additional books) is inserted into the plastic housing of the pad. Some of these other interactive books (with cartridges) contain translation functions as well. These goods are imported from China.

Estimated effect on customs revenue:

¹ Industry analyst preparing report: Queena Fan (202-205-3055); Tariff Affairs contact: Jan Summers (202-205-2605).

² An electronic copy of this memorandum is available at http://usitc.gov/tata/hts/other/rel_doc/bill_reports/index.htm.

HTS subheading: 8543.89.96					
	2005	2006	2007	2008	2009
Col. 1-General rate of duty	2.6%	2.6%	2.6%	2.6%	2.6%
Estimated value <i>dutiable</i> imports	\$200,000,000	\$164,000,000	\$119,700,000	\$124,500,000	\$124,500,000
Customs revenue loss 1/	\$1,860,000	\$1,525,200	\$3,112,200	\$3,237,000	\$3,237,000

1/ A reduced duty rate of 1.67% is available under heading 9902.85.43 through Dec. 31, 2006. The revenue loss data for 2005-2006 reflect the difference between the general rate of 2.6% and the reduced rate of 1.67%.

Source of estimated dutiable import data: Industry and Commission staff estimates.

Contacts with domestic firms/organizations (including the proponent):

Name of firm/organization	Date contacted	US production of same or competitive product claimed?	Submission attached?	Opposition noted?
		(Yes/No)		
Leapfrog Enterprises, Inc. Carrie Clark Phillips, 202-216-9307	10/24/2005	No	No	No
Educational Insights Joel Holtz, 931-381-9066	10/31/2005	No	No	No
Fisher-Price Tom St. Maxens, 202-833-4466	11/03/2005	No	No	No
Hasbro Incorporated Barry O'Brien, 401-431-8697	10/31/2005	No	No	No
Mattel, Inc. Tom St. Maxens, 202-833-4466	10/31/2005	No	No	No
Publications International Ltd. Chris Campbell, 847-676-3470	11/03/2005	No	No	No
Toy Industry Association Gary Klein, 202-207-3600	10/27/2005	No	No	No
VTech Electronics North America William To, 847-400-3600	10/27/2005	No	No	No

Technical comments:³ None.

³ The Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only the U.S. Customs Service is authorized to issue a binding ruling on this matter. The Commission believes that the U.S. Customs Service should be consulted prior to enactment of the bill.

109TH CONGRESS
1ST SESSION

H. R. 3033

To extend the temporary reduction in duty on certain educational devices.

IN THE HOUSE OF REPRESENTATIVES

JUNE 22, 2005

Mr. HERGER introduced the following bill; which was referred to the
Committee on Ways and Means

A BILL

To extend the temporary reduction in duty on certain
educational devices.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. CERTAIN EDUCATIONAL DEVICES.**

4 (a) IN GENERAL.—Heading 9902.85.43 of the Har-
5 monized Tariff Schedule of the United States (relating to
6 certain educational devices) is amended—

7 (1) by striking “1.67%” and inserting “Free”;
8 and

9 (2) in the effective period column, by striking
10 “12/31/2006” and inserting “12/31/2008”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 subsection (a) applies to goods entered, or withdrawn from
3 warehouse for consumption, on or after the 15th day after
4 the date of enactment of this Act.

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